

Remarks

Status of the Application

Claims 1-26 and 137-139 are active in the Application. Claims 1, 7, 13, 14, 15, 20, 25 and 26 are independent claims. Claims 137-139 are new claims. Claims 27-135 have been cancelled without prejudice and with the right to pursue these claims in the future.

Claims 1-26 stand rejected under 35 USC §102(e) as anticipated by Nieboer et al. (U.S. 6,418,419 B1). This rejection is respectfully submitted to be overcome by the amended claims herein.

Amendments To The Claims

Each of the independent claims 1, 7, 13, 14, 15, 20, 25 and 26 has been amended to include:

For claims 1, 7, 13 and 14:

1. (currently amended) A method operable on a computer for responding to a barter order, the barter order including a first security to be sold in a barter and a second security to be purchased in the barter, the method comprising the steps of:

receiving from a market maker a rule including at least one condition for automatically responding to the barter order generating a contra order;

receiving from a trader a barter order request to identify a contra barter order that includes a first security to be sold in a barter and a second security to be purchased in the barter;

comparing matching on the computer the barter order request to the at least one condition comprising the rule; and

automatically responding to the barter order request in accordance with the at least one condition of the rule, if the at least one condition is satisfied, including generating a contra barter order that includes the contra order.

(For purposes of explanation, the significant amendments to the claims have been reproduced above with respect to claim 1. It will be understood that claims 7, 13, and 14 have been similarly amended, with minor differences in wording and format based upon their statutory claim type.)

For claims 15, 20, 25 and 26:

15. (currently amended) A method operable on a computer for establishing rules to respond to a barter order, the barter order including a first security to be sold in a barter and a second security to be purchased in the barter, the method comprising the steps of:

storing on said computer a plurality of variables and a plurality of operators;

receiving through a graphical user interface input from a [[user]] market maker selecting from the plurality of variables and operators to form at least one condition; [[and]]

responsive to the input, selecting the at least one condition to form a rule for automatically generating a contra order for responding to the barter order; and automatically generating, if the at least one condition is satisfied, responsive to the barter order, a contra barter order including the contra order.

(Similarly, the significant amendments to the claims have been reproduced above with respect to claim 15. It will be understood that claims 20, 25, and 26 have been similarly amended, with minor differences in wording and format based upon their statutory claim type.)

It will thus be seen that each independent claim has been amended to recite the rules and conditions for generating a contra order to a trader barter order/barter order request as from/based upon input from a market maker (see Applicants' specification para. 0244 etc.). It is further seen that each independent claim now recites the automatic generation of a contra barter order, if the market maker condition is satisfied, each contra barter order including the market maker contra order resulting from the rule (see Applicants' specification para.s 0259-0276, etc.).

Numerous other amendments have been made for purposes of consistency. No new matter has been added.

New dependent claims 136 – 139 have been added, each reciting components of a contra barter order. See Applicants' specification, paragraphs 0259-0276, etc. No new matter has been added.

Applicant's Response

It is noted at the outset that the Nieboer et al. reference is directed to a significantly different system, with different goals, than that of the Applicants'. More particularly, while the

Nieboer et al. reference teaches a conditional trading system and the use of variables and operators to form a rule for automatically responding to financial orders (see the Office Action para.s 3 and 9), the reference teaches an auction market. See Column 1, lines 36-39:

The present invention **will create an auction market instead of a negotiated market** and will display prices to all participants and save the information for later use. [Emphasis added.]

By definition, an auction market does not include market maker participation to establish liquidity, all transactions in an auction market comprising auctions between participating parties. This limits liquidity in an auction market to that established between buyers and sellers.

In contrast to the reference, the present invention is directed to a negotiated market wherein market makers can create liquidity by establishing rules for automatically responding to offers. More particularly, the present invention provides a negotiated market wherein market makers can establish rules for automatically responding to barter orders and barter order requests, whereby to create a liquid market in Applicants' financial trading system. See, for example, Applicants' specification:

[0239] As used herein, a "marketmaker" is any person or system that responds to order flow by making bids and offers on which another person or entity can trade. Such a marketmaker is said to add liquidity to a market when he allows another to trade on his bid or offer...

[0244] A marketmaker tool kit is a system that allows marketmakers to characterize incoming orders by creating or defining their own rules that include (1) conditions that describe an incoming order, and (2) price/size tiers that form automatic quotes or executions to one or more traders' orders if the conditions are satisfied. These automatic quotes and executions bring greater liquidity to the System 100...

It is thus noted that, while the Nieboer et al. reference teaches the use of rules in order to automate financial transactions, it does not teach or suggest the establishment of a market maker toolkit in accordance with the present invention. More particularly, the reference does not show or suggest Applicants' claimed financial services system wherein tools are provided for enabling market makers to maintain liquidity within the system. With specific reference to the claimed

invention, Nieboer et al. does not show or suggest the features of the amended claims that: 1) enable market makers to provide rules for generating contra orders, and 2) automatically generate contra barter orders including the contra orders if the rule(s) is satisfied.

In summary, the Nieboer et al. reference is to an auction system and fails to show or suggest Applicants' claimed invention of providing facilitating tools to market makers whereby the market makers can create and maintain a liquid market within Applicants' negotiated trading system. Applicants have captured the patentably distinct aspects of the invention in the amended claims.

In view of the present amendment, the dependent claims are submitted herein to be patentable as depending from patentable independent claims. They are further submitted to be patentable, in their own respect, in combination with the newly amended independent claims. Applicants specifically reserve the right to argue the patentability of the dependent claims at a future date.

For these reasons, it is respectfully submitted that the invention as claimed is patentable over the art of record. Entry of this amendment and a timely allowance of the active claims are respectfully requested.

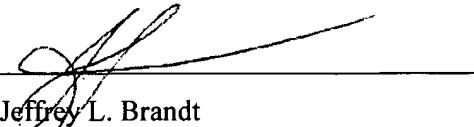
The Examiner is invited to telephone Applicants' attorney at the number indicated below if such communication would facilitate the examination of the application.

Authorization

If the Commissioner determines that an additional fee is due, Applicants' attorney authorizes the Commissioner to charge any required fee, or credit any overage, to deposit account 50-3834.

Respectfully submitted,

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